

## **A. FEDERAL LAW**

**TITLE 42 – THE PUBLIC HEALTH AND WELFARE  
CHAPTER 7 – SOCIAL SECURITY  
SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES  
TO NEEDY FAMILIES WITH CHILDREN AND  
FOR CHILD-WELFARE SERVICES**

### **Sec. 653. Federal Parent Locator Service**

(a)(1) Establishment; purpose

The Secretary shall establish and conduct a Federal Parent Locator Service, under the direction of the designee of the Secretary referred to in section 652(a) of this title, which shall be used for the purposes specified in paragraphs (2) and (3).

- (2) For the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, the Federal Parent Locator Service shall obtain and transmit to any authorized person specified in subsection (c) -
  - (A) information on, or facilitating the discovery of, the location of any individual -
    - (i) who is under an obligation to pay child support;
    - (ii) against whom such an obligation is sought; or
    - (iii) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;
  - (B) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and
  - (C) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.
- (3) For the purpose of enforcing any Federal or state law with respect to the unlawful taking or restraint of a child, or making or enforcing a child custody or visitation determination, as defined in section 663(d)(1), the Federal Parent Locator Service shall be used to obtain and transmit the information specified in section 663(c) to the authorized persons specified in section 663(d)(2).

- (b)(1) Upon request, filed in accordance with subsection (d), of any authorized person, as defined in subsection (c) for the information described in subsection (a)(2), or of any authorized person, as defined in section 663(d)(2) for the information described in section 663(c), the Secretary shall, notwithstanding any other provision of law, provide through the Federal Parent Locator Service such information to such person, if such information -

- (A) is contained in any files or records maintained by the Secretary or by the Department of Health and Human Services; or

- (B) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality of the United States or of any state, and is not prohibited from disclosure under paragraph (2).
- (2) No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1). No information shall be disclosed to any person if the state has notified the Secretary that the state has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent, provided that -
  - (A) in response to a request from an authorized person (as defined in subsection (c) of this section and section 663(d)(2)), the Secretary shall advise the authorized person that the Secretary has been notified that there is reasonable evidence of domestic violence or child abuse and that information can only be disclosed to a court or an agent of a court pursuant to subparagraph (B); and
  - (B) information may be disclosed to a court or an agent of a court described in subsection (c)(2) of this section or section 663(d)(2)(B), if -
    - (i) upon receipt of information from the Secretary, the court determines whether disclosure to any other person of that information could be harmful to the parent or the child; and
    - (ii) if the court determines that disclosure of such information to any other person could be harmful, the court and its agents shall not make any such disclosure.
- (3) Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 654(26).

(c) “Authorized person” defined

As used in subsection (a) of this section, the term “authorized person” means –

- (1) any agent or attorney of any state having in effect a plan approved under this part, who has the duty or authority under such plans to seek to recover any amounts owed as child and spousal (including, when authorized under the state plan, any official of a political subdivision);
- (2) the court which has authority to issue an order or to serve as the initiating court in an action to seek an order against a noncustodial parent for the support and maintenance of a child, or any agent of such court;
- (3) the resident parent, legal guardian, attorney, or agent of a child (other than a child receiving aid under part A of this subchapter) (as determined by regulations prescribed by the Secretary) without regard to the existence of a court order against a noncustodial parent who has a duty to support and maintain any such child.

(d) Form and manner of request for information

A request for information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

(e) Compliance with request; search of files and records by head of any department, etc., of United States; transmittal of information to Secretary; reimbursement for cost of search; fees

- (1) Whenever the Secretary receives a request submitted under subsection (b) of this section which he is reasonably satisfied meets the criteria established by subsections (a), (b), and (c) of this section, he shall promptly undertake to provide the information requested from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States or of any state.
- (2) Notwithstanding any other provision of law, whenever the individual who is the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized to be provided by the Secretary under this section, such individual shall promptly cause a search to be made of the files and records maintained by such department, agency, or instrumentality with a view to determining whether the information requested is contained in any such files or records. If such search discloses the information requested, such individual shall immediately transmit such information to the Secretary, except that if any information is obtained the disclosure of which would contravene national policy or security interests of the United States or the confidentiality of census data, such information shall not be transmitted and such individual shall immediately notify the Secretary. If such search fails to disclose the information requested, such individual shall immediately so notify the Secretary. The costs incurred by any such department, agency, or instrumentality of the United States or of any state in providing such information to the Secretary shall be reimbursed by him in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information). Whenever such services are furnished to an individual specified in subsection (c)(3) of this section, a fee shall be charged such individual. The fee so charged shall be used to reimburse the Secretary or his delegate for the expense of providing such services.
- (3) The Secretary of Labor shall enter into an agreement with the Secretary to provide prompt access for the Secretary (in accordance with this subsection) to the wage and unemployment compensation claims information and data maintained by or for the Department of Labor or state employment security agencies.

(f) Arrangements and cooperation with state agencies

The Secretary, in carrying out his duties and functions under this section, shall enter into arrangements with state agencies administering state plans approved under this part for such state agencies to accept from resident parents, legal guardians, or agents of a child described

in subsection (c)(3) of this section and to transmit to the Secretary requests for information with regard to the whereabouts of noncustodial parents and otherwise to cooperate with the Secretary in carrying out the purposes of this section.

(g) **REIMBURSEMENT FOR REPORTS BY STATE AGENCIES** .- The Secretary may reimburse Federal and state agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).

(h) **FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS** .-

- (1) **IN GENERAL** .- Not later than October 1, 1998, in order to assist states in administering programs under state plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case and order in each state case registry maintained pursuant to section 654A(e), as furnished (and regularly updated), pursuant to section 654A(f), by state agencies administering programs under this part.
- (2) **CASE AND ORDER INFORMATION**. - The information referred to in paragraph (1) with respect to a case or an order shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and state case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the state or states which have the case or order.

(i) **NATIONAL DIRECTORY OF NEW HIRES** .-

- (1) **IN GENERAL** .- In order to assist states in administering programs under state plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 653A(g)(2).
- (2) **ENTRY OF DATA** .- Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 653A(g)(2).
- (3) **ADMINISTRATION OF FEDERAL TAX LAWS** .- The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

- (4) LIST OF MULTISTATE EMPLOYERS .- The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 653A(b)(1)(B), and the state which each such employer has designated to receive such information.

(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES .-

(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION .-

- (A) IN GENERAL .- The Secretary shall transmit data in each component of the Federal Parent Locator Service maintained under this section and to information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

- (B) VERIFICATION BY SSA .- The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

- (i) The name, social security number, and birth date of each such individual.
- (ii) The employer identification number of each such employer.

- (2) INFORMATION COMPARISONS .- For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall -

- (A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and
- (B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the state agency responsible for the case.

- (3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES. - To the extent and with the frequency that the Secretary determines to be effective in assisting states to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall -

- (A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to state agencies operating such programs; and
- (B) disclose information in such components to such State agencies.

- (4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION. - The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory.

- (5) RESEARCH .- The Secretary may provide access to data in each component of the Federal Parent Locator Service maintained under this section and to information reported by employers pursuant to section 653A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

(k) FEES. -

- (1) FOR SSA VERIFICATION - The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).
- (2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES - The Secretary shall reimburse costs incurred by state directories of new hires in furnishing information as required by section 653A(g)(2), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).
- (3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES. - A state or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

(l) RESTRICTION ON DISCLOSURE AND USE. - Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

(m) INFORMATION INTEGRITY AND SECURITY. - The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to -

- (1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and
- (2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

(n) FEDERAL GOVERNMENT REPORTING .- Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

(o) USE OF SET-ASIDE FUNDS .- Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 657(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter

following the end of such preceding fiscal year), which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements, for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees. Amounts appropriated under this subsection for each of fiscal years 1997 through 2001 shall remain available until expended.

(p) **SUPPORT ORDER DEFINED** .- As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing state, or of the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.

## **SEC. 653A. STATE DIRECTORY OF NEW HIRES.**

(a) **ESTABLISHMENT** .-

(1) **IN GENERAL** .-

(A) **REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY** .- Except as provided in subparagraph (B), not later than October 1, 1997, each state shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

(B) **STATES WITH NEW HIRE REPORTING IN EXISTENCE** .- A state which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the state law, but the state must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

(2) **DEFINITIONS** - As used in this section:

(A) **EMPLOYEE** .- The term 'employee' -

(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

(ii) does not include an employee of a Federal or state agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

(B) **EMPLOYER** .-

(i) **IN GENERAL** .- The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

(ii) **LABOR ORGANIZATION** .- The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section

8(f)(3) of such Act of an agreement between the organization and the employer.

(b) EMPLOYER INFORMATION. -

(1) REPORTING REQUIREMENT. -

(A) IN GENERAL .- Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the state in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

(B) MULTISTATE EMPLOYERS - An employer that has employees who are employed in 2 or more states and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 state in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such state. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which state such employer designates for the purpose of sending reports.

(C) FEDERAL GOVERNMENT EMPLOYERS. - Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 653.

(2) TIMING OF REPORT. - Each state may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made -

(A) not later than 20 days after the date the employer hires the employee; or

(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

(c) REPORTING FORMAT AND METHOD. - Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS. - The state shall have the option to set a state civil money penalty which shall not exceed -

(1) \$25 per failure to meet the requirements of this section with respect to a newly hired employee; or

(2) \$500 if, under state law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.



(e) **ENTRY OF EMPLOYER INFORMATION** .- Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

(f) **INFORMATION COMPARISONS** .-

- (1) **IN GENERAL**. - Not later than May 1, 1998, an agency designated by the state shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the state case registry for cases being enforced under the state plan.
- (2) **NOTICE OF MATCH**. - When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the state plan approved under this part of the appropriate state with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

(g) **TRANSMISSION OF INFORMATION** .-

- (1) **TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS** .- Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the state agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the income of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's income is not subject to withholding pursuant to section 666(b)(3).
- (2) **TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES**. -
  - (A) **NEW HIRE INFORMATION** - Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.
  - (B) **WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION** .- The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires information concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.
- (3) **BUSINESS DAY DEFINED** .- As used in this subsection, the term 'business day' means a day on which state offices are open for regular business.

(h) OTHER USES OF NEW HIRE INFORMATION .-

- (1) LOCATION OF CHILD SUPPORT OBLIGORS. - The agency administering the state plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations, and may disclose such information to any agent of the agency that is under contract with the agency to carry out such purposes.
- (2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS .- A state agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.
- (3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION .- State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.